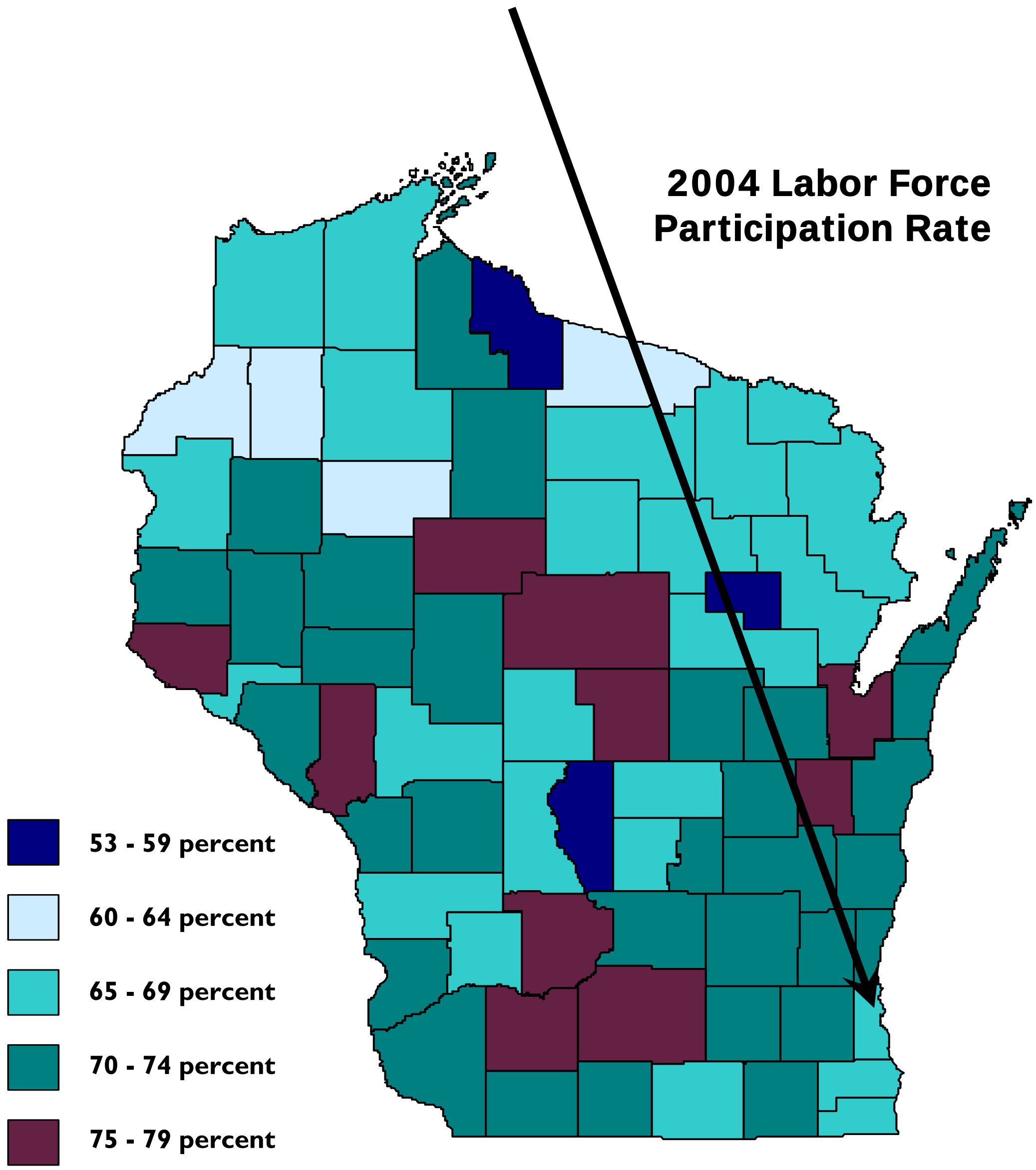
Milwaukee County Workforce Profile



Source: Estimates created by DWD, OEA using data supplied by U.S. Bureau of Labor Statistics and U.S. Bureau of Census

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County Population and Labor Force

Milwaukee County, while continuing to play an important role in driving Wisconsin's economy and serving as the state's population center, again exhibited signs of suburban pressures over the past year. While its population continues to provide the lion's share of the region's labor force, continued concerns about available jobs within the county and a slowing trend in residential real estate markets throughout the region resulted in a slight decline in the county's population. While the net decline of just over 1,100 residents may seem rather trivial from this perspective, it becomes more significant when taken in comparison to changes in the national and state population, both of which experienced increases in line with projected growth trends.

Focusing within Milwaukee County, we see that much of the local population decline is again centered in the City of Milwaukee, which experienced the loss of over 4,000 of its residents. Similar losses were also observed in West Allis and Wauwatosa, again suggesting that residential migration within the county appears to be following a larger regional trend towards movement to outer, and less developed suburban areas, such as Greenfield and Franklin.

Despite present concerns regarding the state of the county's population base, the county does continue to exhibit signs of future growth, as suggested by the most recent 15-year population projections for the county. These figures suggest that the county is expected to increase at a rate of 7.9 percent by 2020. Similarly, the county's labor force remains both strong and vibrant, with the county again showing a labor force participation rate that is slightly above national standards, yet lags behind state averages. The presence of an entry cohort (16-25 years old) that equals the national average suggests that future gains are possible.

Population and Labor Force

	United States	Wisconsin	Milwaukee County
Total population in 2000	281,424,602	5,363,715	940,164
Population est. Jan. 1, 2005	295,160,302	5,580,757	938,995
Change	13,735,700	217,042	-1,169
% change	4.9%	4.0%	- 0.1%
2005 Labor force population*	224,837,000	4,339,938	709,743
Share of total population	76.2%	78%	75.6%
Labor force	147,125,000	3,071,179	468,503
Labor force participation rate	65.4%	70.8%	66.0%
2005 Population 16 yrs. & over	228,621,674	4,417,313	720,472
16-24 yrs old	37,489,370	743,764	118,225
Share of population 16+ yrs	16.4%	16.8%	16.4%
25-59 yrs old	142,248,896	2,708,865	453,392
Share of population 16+ yrs	62.2%	61.3%	62.9%
60 yrs and older	48,883,408	964,684	148,854
Share of population 16+ yrs	21.4%	21.8%	20.7%
Projected population: 2020	335,804,546	6,110,878	1,014,293
Population 16 yrs. & over	264,085,104	4,869,573	789,493
16-24 yrs old	37,918,865	681,586	114,471
Share of population 16+ yrs	14.4%	14.0%	14.5%
25-59 yrs old	150,678,402	2,756,884	464,672
Share of population 16+ yrs	57.1%	56.6%	58.9%
60 yrs and older	75,487,837	1,431,103	210,350
Share of population 16+ yrs	28.6%	29.4%	26.6%

* civilian population 16 yrs. and older not in an institution

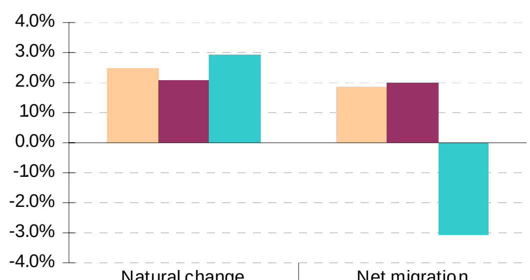
Five largest municipalities in Milwaukee County

	April 2000 Census	Jan. 1, 2005 estimate	Numeric change	Percent change
Milwaukee County	940,164	938,995	-1,169	-0.1%
Milwaukee, City*	596,974	592,765	-4,209	-0.7%
West Allis, City	61,254	60,515	-739	-1.2%
Wauwatosa, City	47,271	46,312	-959	-2.0%
Greenfield, City	35,476	36,136	660	1.9%
Franklin, City	29,494	32,548	3,054	10.4%

*Milwaukee County portion only

Source: Wis. Dept. of Administration, Demographic Services, August 2005

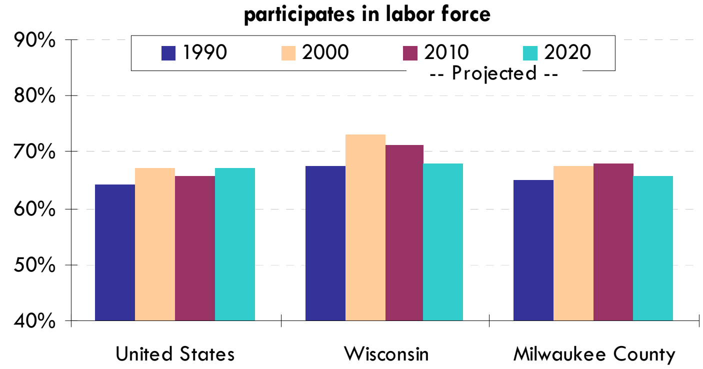
Net migration and natural change 2000-2005



	Natural change	Net migration
United States	2.5%	19%
Wisconsin	2.0%	2.0%
Milwaukee Co.	3.0%	-3.1%

Source: WI Dept. of Admin., Demographic Services & US Census Bureau

Percent of labor force age population that participates in labor force



Source: special tabulation by OEA using US Census, US Bureau of Labor Statistics, WI Dept. of Admin. estimates and projections

Revised Labor Force

Moving to a discussion of the county's labor force and unemployment, we see that the county continues to emerge from the economic downturn that plagued the nation over the past several years. While the annual unemployment rate of 6.3 percent in 2004 is the county's lowest rate since 2002, it does remain considerably higher than those rates observed prior to 2001. Similarly, the presence of nearly 30,000 unemployed workers within the county is indeed troubling, as it is again higher than those numbers noted in the most recent period of economic expansion.

What is rather more encouraging about Milwaukee County's labor force is its magnitude which, while declining over the course of the past year, does exhibit signs of recovery. This is particularly apparent in the number of workers employed within the county, which has improved over the course of the past year and has continued to show signs of strong growth throughout 2005. As the labor force continues to adjust to shifts within the region's economy, it is expected that the number of unemployed workers will continue to decrease over the next several years.

Milwaukee County Civilian Labor Force Estimates

	Labor force	Employed	Unemployed	Unemployed rate
1990	477,049	455,072	21,977	4.6%
1991	472,779	447,630	25,149	5.3%
1992	476,182	451,604	24,578	5.2%
1993	477,647	454,979	22,668	4.7%
1994	483,141	460,441	22,700	4.7%
1995	482,455	463,097	19,358	4.0%
1996	484,086	463,770	20,316	4.2%
1997	487,267	467,508	19,759	4.1%
1998	483,801	465,237	18,564	3.8%
1999	482,505	463,949	18,556	3.8%
2000	477,830	457,523	20,307	4.2%
2001	476,439	450,850	25,589	5.4%
2002	470,735	439,510	31,225	6.6%
2003	469,251	436,118	33,133	7.1%
2004	468,503	439,040	29,463	6.3%

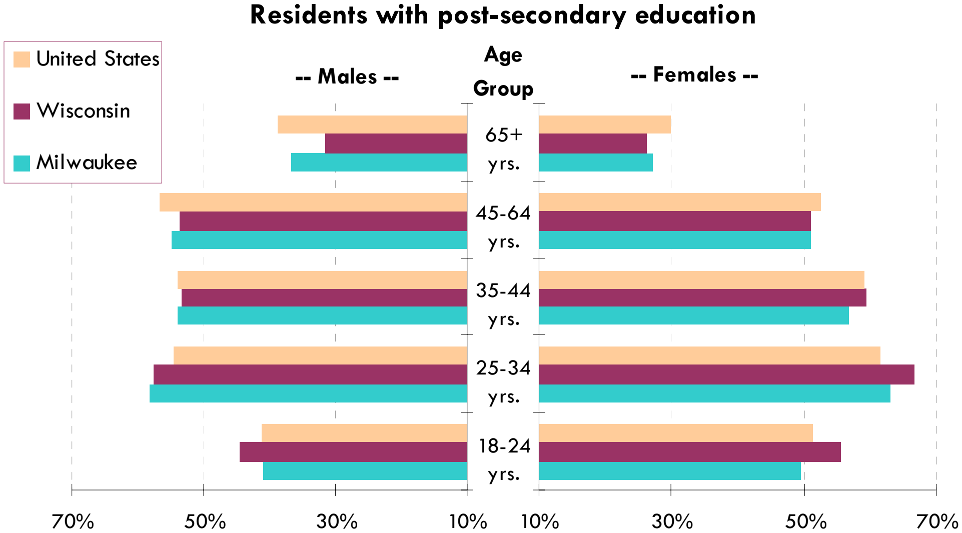
Source: DWD, Bureau of Workforce Information, Local Area Unemployment Statistics, September 2005

Education Attainment

One other significant aspect of a region's population that affects both the composition and prospects for that region's economy is the degree and distribution of educational attainment of the population. This relationship is particularly strong in professional and skilled trades positions, as an increasing number of positions of these types, and within the workforce, in general now require higher levels of skills and experience than may have been the case even a few decades ago.

In examining the data included in the chart below, we see a number of significant patterns. First, Milwaukee County lags behind state averages in post-secondary education among most age and gender cohorts. This is particularly true in the 18-24 year-old cohort, where male residents lag behind their female counterparts. However, at higher age levels, the relationship is reversed, with the county meeting or exceeding state, and in some instances, national averages. This points to the presence of a strong, highly skilled mature labor force within the county. Similarly, this pattern is consistent with both the industry and occupational mix that we see both within Milwaukee County, as well as throughout Southeastern Wisconsin, as a whole. Therefore, while the current population distribution suggests that the county is well-positioned, the reality that many younger workers, most notably those just entering the labor force, do not possess the same level of education is cause for some concern.

Residents with post-secondary education



Source: US Census 2000, Summary file 3, QT-P20

Employment and Wages

Looking now at changes in employment and compensation that have occurred in Milwaukee County over the course of the past year we see what is generally a positive trend, both within specific industries, and also in how the region compares to similar figures throughout Wisconsin. While average wages in nearly all major industrial sectors experienced significant gains in 2004, wage increases were paced by the manufacturing (9.1 percent) and financial activities (8.1 percent) sectors. At first glance, the significant change in manufacturing wages may appear somewhat surprising, given continued concerns regarding job losses within a number of key industry sectors. While some of the increase in this area is certainly due to losses among low-wage workers in the sector, some growth has occurred due to higher than expected activity in some industries, and a move towards more specialized and technical production processes in others. These adjustments to the production cycle have increased the opportunity for manufacturing workers to earn high salaries.

A glimpse at changes in industry employment over the past year confirms many of these assumptions. Among the most significant job losses reported in the past year were experienced in the trade, transportation and utilities sector. These significant losses are generally the result in decreased demand for freight and other supply chain services and are expected to continue throughout the next year as concerns over growing fuel and energy prices lead to some restructuring within the industries. Similarly, more relatively minor losses in manufacturing and financial activities sectors are both the continued result of the current period of economic recovery with respect to manufacturing, and a continued trend towards consolidation within the financial activities sector. Finally, continued fiscal pressures and budget constraint fueled job losses in the public administration sector in 2004.

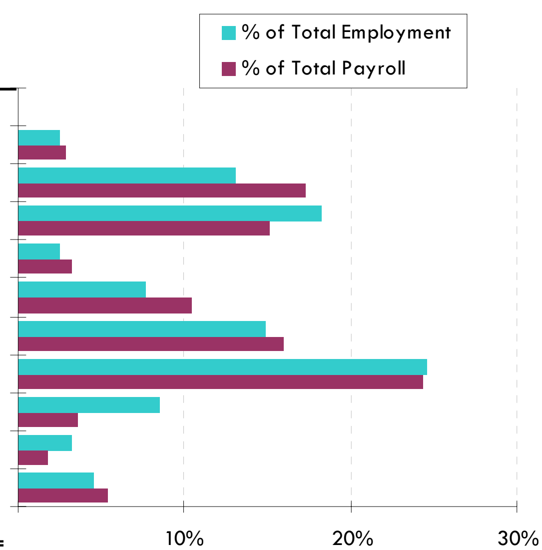
Average Annual Wage by Industry Division in 2004

	2004 Average Annual Wage Wisconsin	2004 Average Annual Wage Milwaukee County	Percent of Wisconsin	1-year % change
All Industries	$ 34,749	$ 39,920	114.9%	5.2%
Natural resources	$ 27,399	$ 44,843	163.7%	-0.7%
Construction	$ 41,258	$ 46,176	111.9%	2.6%
Manufacturing	$ 44,145	$ 52,643	119.3%	9.1%
Trade, Transportation, Utilities	$ 30,088	$ 33,027	109.8%	4.3%
Information	$ 41,759	$ 51,516	123.4%	1.1%
Financial activities	$ 45,103	$ 54,406	120.6%	8.1%
Professional & Business Services	$ 39,580	$ 42,610	107.7%	5.6%
Education & Health	$ 36,408	$ 39,424	108.3%	4.3%
Leisure & Hospitality	$ 12,295	$ 16,795	136.6%	2.0%
Other services	$ 20,207	$ 21,387	105.8%	2.4%
Public Admininistration	$ 36,347	$ 47,104	129.6%	0.2%

Source: WI DWD, Bureau of Workforce Information, Quarterly Census of Employment & Wages

2004 employment and wage distribution by industry in Milwaukee County

	Employment Annual average	Employment 1-year change	Total payroll
Natural Resources	122	2	$ 5,470,849
Construction	12,390	-205	$ 572,125,075
Manufacturing	64,448	-1,767	$ 3,392,710,573
Trade, Transportation, Utilities	89,813	-4,176	$ 2,966,263,923
Information	12,423	131	$ 639,978,088
Financial Activities	37,553	-1,537	$ 2,043,090,627
Professional & Business Services	73,364	2,085	$ 3,126,007,731
Education & Health	121,270	44	$ 4,780,911,699
Leisure & Hospitality	41,940	-554	$ 704,387,416
Other services	16,002	-405	$ 342,229,160
Public Administration	22,585	-732	$ 1,063,834,778
Not assigned	14	-18	$ 356,108
All Industries	491,924	-7,131	$19,637,366,027



Source: WI DWD, Bureau of Workforce Information, Quarterly Census Employment and Wages, June 2005

Industry and Employers by Size

Top 10 Private-sector Employers in Milwaukee County

Establishment	Product or Service	Size (Dec. 2004)
Aurora Health Care Metro, Inc	Gen. medical & surgical hospitals	1000+ employees
Columbia St Mary's Group	Other hospitals	1000+ employees
Northwestern Mutual Life Insurance	Direct life insurance carriers	1000+ employees
Medical College of Wisconsin Inc	Colleges & universities	1000+ employees
Froedtert Memorial Lutheran Hospital	Gen. medical & surgical hospitals	1000+ employees
Children's Health System Group	Misc. schools & instruction	1000+ employees
Aurora Health Care Inc	Gen. medical & surgical hospitals	1000+ employees
Midwest Airlines Inc	Scheduled passenger air transportation	1000+ employees
Rockwell Automation Inc	Managing offices	1000+ employees
Metavante Corp	Data processing & related services	1000+ employees

Source: DWD, Bureau of Workforce Information, ES-202, July 2005

Prominent industries in Milwaukee County

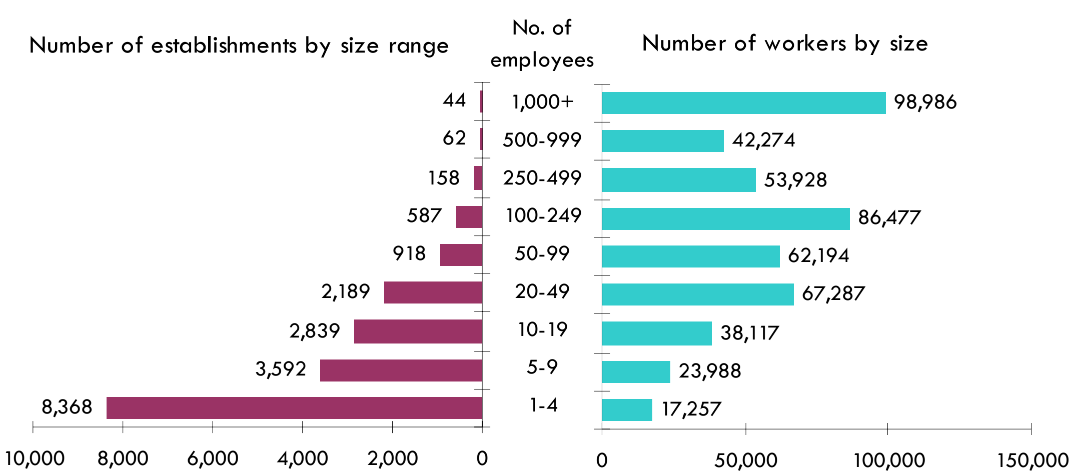
NAICS title	March 2005 Establishments	March 2005 Employees	Numeric change in employees 2004-2005	Numeric change in employees 2000-2005
Educational services	225	43,020	-1,364	2,402
Administrative and support services	812	33,902	-1,499	-9,036
Food services and drinking places	1,149	29,212	374	65
Hospitals	17	28,151	-333	1,421
Professional and technical services	1,802	23,402	357	-1,526
Ambulatory health care services	1,333	22,754	1,017	1,568
Social assistance	510	17,194	-175	1,239
Executive, legislative, & gen government	27	16,951	-49	-1,820
Management of companies and enterprises	166	13,410	352	4,490
Insurance carriers & related activities	433	13,193	-150	-2,142

* data suppressed to maintain employer confidentiality

Column headings revised 02/06

Source: DWD, Bureau of Workforce Information, ES-202, September 2005

Milwaukee County establishments and workers by employment size range in 2004



(1) Data not available due to suppression factors

Source: DWD, Bureau of Workforce Information, Table 221, July 2005

A review of the list of the top 10 privately-held employers in the county once again suggests that Milwaukee County is home to a number of the largest local and regional medical providers in Wisconsin. Each of the dominant employers in this area, led by Aurora Health Care, Columbia St. Mary's Group and Froedtert Memorial Lutheran Hospital, operate numerous facilities throughout the county and have continued to experience significant job growth, as suggested in the review of prominent industries at left. Additionally, 2004 marks the first time in several years that Midwest Airlines, Inc. rejoins the list of the area's top employers, suggesting that the firm continues to successfully weather many of the difficulties that have plagued the industry nationally.

Turning our attention to a more detailed view of the county's dominant industries, we see that many of these economic leaders experienced a period of slight decline over the past year, led by the administrative and support services group, which includes a host of professional services. Similarly, insurance industry employment continues its downward trend, although last year's annual job loss was slightly more than one-tenth the significant losses noted in 2003.

Per Capita Personal Income

One final indicator of general economic health that one often turns to when assessing the state of a region's economy is change in the region's per capita personal income, or PCPI. Taken as a whole, this measure serves as a rough estimate of net income within a given area. Interpreted more broadly, PCPI can be used as a proxy for the level of poverty present in a region, the purchasing power of an area's residents, or an indicator of any of a host of other economic activities.

Milwaukee County's 2003 PCPI of slightly more than $31,000 compares favorably to those averages seen in other metropolitan areas of comparable size nationally. Similarly, the county ranks seventh out of the state's 72 counties in this measure, surpassed only by Ozaukee, Waukesha, Dane, Washington, Brown, and Calumet Counties, all of which are considered among the state's main economic centers. While this ranking suggests that the county continues to hold a favorable position within the state's economy, a review of the county's five-year growth trend tells a slightly different story. While a five-year growth rate of 19.5 percent is indeed impressive and outpaces the rate of inflation over the same period, this growth rate is only the 18th highest in the state. While this growth is indeed higher than that experienced in four of the six counties that rank above Milwaukee County in PCPI, both Calumet and Dane Counties experienced more significant growth, ranking eighth and twelfth, respectively. As such, this disparity could serve as an indication that the flow of comparative wealth within the state continues to move away from Milwaukee County, and indeed from Southeastern Wisconsin.

While an assumption of this type is indeed premature, it does bear further analysis. Similarly, the disparate income growth rates observed through the state also suggests that the state's economic base is indeed diversifying on a regional basis. Diversification of this type suggests that the state is in a position for continued growth.

Wisconsin Counties 2003 Per Capita Personal Income and Rank in State

Area	2003	Rank	5-yr growth	Rank	Area	2003	Rank	5-yr growth	Rank
United States	$ 31,472		17.1%		Manitowoc	$ 27,807	27	13.6%	59
Wisconsin	$ 30,685		17.2%		Marathon	$ 29,992	16	22.0%	5
Adams	$ 22,804	59	16.1%	37	Marinette	$ 25,448	39	21.3%	9
Ashland	$ 23,204	55	16.6%	32	Marquette	$ 22,590	64	26.5%	1
Barron	$ 24,922	41	15.2%	44	Menominee	$ 18,449	72	19.8%	16
Bayfield	$ 22,660	62	13.4%	60	Milwaukee	$ 31,419	7	19.5%	18
Brown	$ 32,076	5	17.8%	25	Monroe	$ 23,467	54	16.8%	31
Buffalo	$ 29,083	20	17.2%	28	Oconto	$ 24,842	42	12.3%	66
Burnett	$ 22,796	60	17.1%	29	Oneida	$ 28,646	22	18.7%	21
Calumet	$ 31,880	6	21.4%	8	Outagamie	$ 30,952	11	20.5%	14
Chippewa	$ 25,999	36	12.3%	67	Ozaukee	$ 47,527	1	14.7%	48
Clark	$ 22,227	66	13.9%	55	Pepin	$ 24,407	44	13.0%	64
Columbia	$ 30,846	12	18.2%	24	Pierce	$ 27,963	26	18.6%	23
Crawford	$ 22,628	63	20.9%	13	Polk	$ 24,201	46	13.9%	54
Dane	$ 36,455	3	21.0%	12	Portage	$ 27,464	30	21.1%	11
Dodge	$ 26,048	35	13.3%	61	Price	$ 24,361	45	12.2%	68
Door	$ 30,657	13	15.9%	40	Racine	$ 31,271	8	15.0%	45
Douglas	$ 23,568	53	15.3%	43	Richland	$ 23,829	51	21.9%	6
Dunn	$ 22,885	58	14.9%	47	Rock	$ 28,256	25	14.1%	50
Eau Claire	$ 27,469	29	17.5%	27	Rusk	$ 20,461	71	14.0%	52
Florence	$ 24,146	47	25.3%	3	Sauk	$ 28,780	21	19.5%	19
Fond du Lac	$ 29,951	17	16.1%	38	Sawyer	$ 23,921	50	22.3%	4
Forest	$ 21,975	68	25.4%	2	Shawano	$ 23,941	49	13.9%	56
Grant	$ 24,116	48	15.6%	42	Sheboygan	$ 31,251	9	19.8%	17
Green	$ 28,542	23	14.0%	51	St. Croix	$ 31,091	10	13.6%	57
Green Lake	$ 26,962	32	8.1%	72	Taylor	$ 23,020	56	16.6%	34
Iowa	$ 27,308	31	19.2%	20	Trempealeau	$ 25,242	40	18.7%	22
Iron	$ 22,912	57	21.1%	10	Vernon	$ 20,950	70	15.7%	41
Jackson	$ 26,084	34	21.9%	7	Vilas	$ 25,664	37	13.0%	63
Jefferson	$ 29,330	18	16.5%	35	Walworth	$ 27,626	28	13.6%	58
Juneau	$ 22,382	65	12.7%	65	Washburn	$ 22,794	61	16.0%	39
Kenosha	$ 29,117	19	16.5%	36	Washington	$ 35,196	4	14.9%	46
Kewaunee	$ 25,536	38	8.8%	71	Waukesha	$ 41,551	2	12.2%	69
La Crosse	$ 28,284	24	16.8%	30	Waupaca	$ 26,863	33	14.0%	53
Lafayette	$ 21,983	67	10.1%	70	Waushara	$ 21,762	69	13.2%	62
Langlade	$ 23,739	52	20.4%	15	Winnebago	$ 30,359	15	16.6%	33
Lincoln	$ 24,725	43	14.6%	49	Wood	$ 30,401	14	17.7%	26

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Regional Economic Information System, May 2005